



## Apply for FMXcellence Recognition

Form must be completed in its entirety.

Submitted information may be used in print, online or at conferences or other live events. **You must download/save PDF prior to — this form will not save your input without being saved to your computer first.** Email your completed form as an attachment to [edward.sullivan@tradepress.com](mailto:edward.sullivan@tradepress.com)

1. Name

2. Title

3. Company

4. Street Address

City / State / Zip  /  /

5. Phone number

6. Email address

7. Square feet of space that the facility department is responsible for:

Data centers only: 5,000 or more of raised floor space

100,000 to 250,000

more than 250,000 to 500,000

more than 500,000 to 1,000,000

more than 1,000,000 to 5,000,000

more than 5,000,000

8. Please provide an overview of one completed FM project/initiative or ongoing FM practice/program that supports the goals of the larger organization. Projects must be completed to be considered. (Limit responses to no more than 2,000 words.) Briefly indicate:

- Major elements of the project or practice.
- Steps involved in developing the project or practice, including the start and completion dates, and if applicable, completion date.
- Scope of the project or practice. Did it involve one building? A business unit or region? The entire organization?
- Hard and soft costs of the project or practice. Please indicate when estimates are being used.
- Challenges involved in implementing or maintaining the project or practice.
- Ways those challenges were overcome.
- Lessons learned.

## 8. Overview (cont.)

A large, empty rectangular box with a thin black border, occupying most of the page. It is intended for the user to provide an overview of their work.

9. Describe the larger organizational goals or challenges addressed by the project or practice. Include any impacts that the project or practice had on building occupants. Limit responses to 1,000 words.

10. Describe results achieved. Include quantitative and qualitative results. For quantitative results, describe the way that results were measured or evaluated. It is helpful to put savings results in some context – as a percentage of the overall facility or energy budget, for example. Energy and water savings results should be based on hard data, e.g. metered data or utility bills. If the project or practice involved the creation of metrics/measurements, use this space to provide more detail about the metrics program. Limit responses to 1,000 words.

11. Describe methods used to communicate the results of the project or practice to the greater organization. (If the project or practice was a communications effort, use this space to provide more detail about the communications program.) Limit responses to no more than 500 words.

12. In order to verify the effectiveness of the project or practice being submitted for consideration, attach a letter from a key manager outside the facility/real estate department describing the impact of the project or practice. If a letter is not possible, please provide the name, phone number and email address for a key manager outside the facility/real estate department who we can contact (examples of key managers: CEO, CFO, COO, business unit manager, vice president, etc.).

Key Manager Name:

Title:

Phone:

Email:

13. Attach a list of key in-house participants in the project or practice, both those who work in the facility department and those from other departments. (Do not include outside service providers, contractors, etc.)
14. Attach any other material to support the application. Attachments can be related to any of the questions on this form or can provide relevant information on areas outside those questions. Limit additional material (not counting the letter and list of participants) to no more than 20 pages. Using sample pages, tables of contents, etc., can reduce the number of additional pages submitted.

- I have read the guidelines and to the best of my knowledge, I am eligible to submit and all the information supplied is correct. I understand the information submitted here could be used by *Building Operating Management* magazine and NFMT for their own purposes if my submission is selected (other than material marked confidential). The box must be checked to submit entry.

Please save this document on your PC and send as an attachment, along with supporting documents, to [edward.sullivan@tradepress.com](mailto:edward.sullivan@tradepress.com). If you have any questions, please contact [edward.sullivan@tradepress.com](mailto:edward.sullivan@tradepress.com).



*LEED NC Platinum  
Net Zero Energy Store  
Ft Lauderdale, FL*



*Net Zero Energy Store  
Ground Mounted PV Field  
Ft Lauderdale, FL*

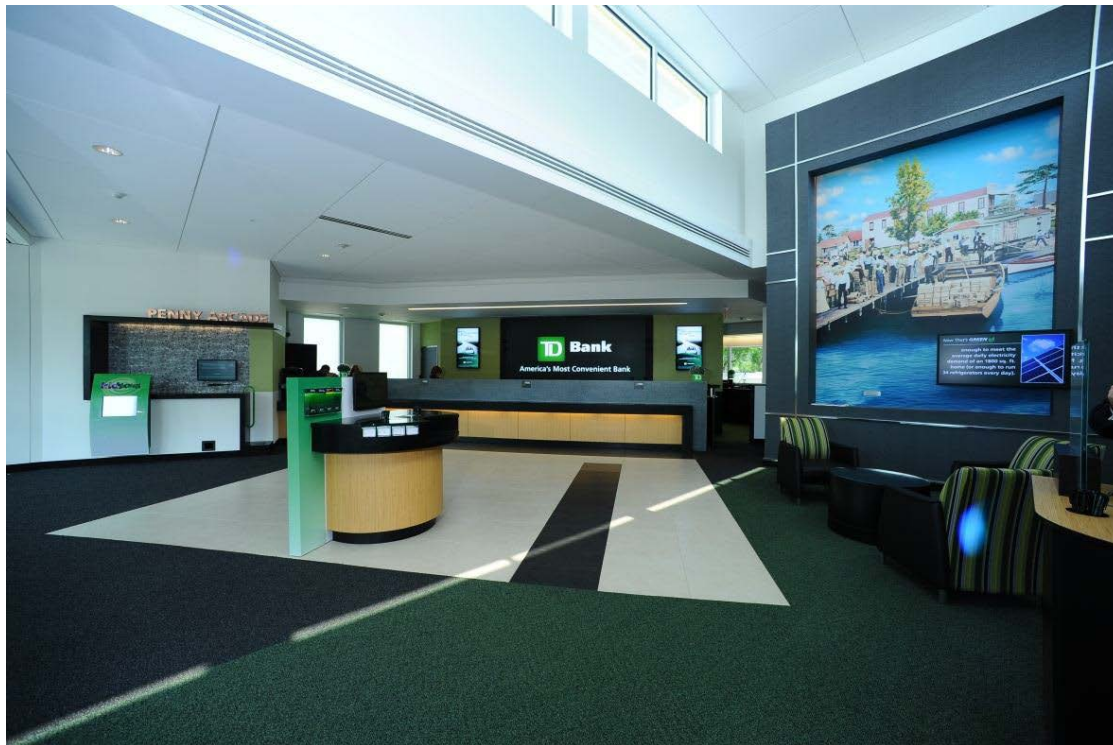


*TD Green Energy Park  
Solar Tracking Modules  
London, Ontario*

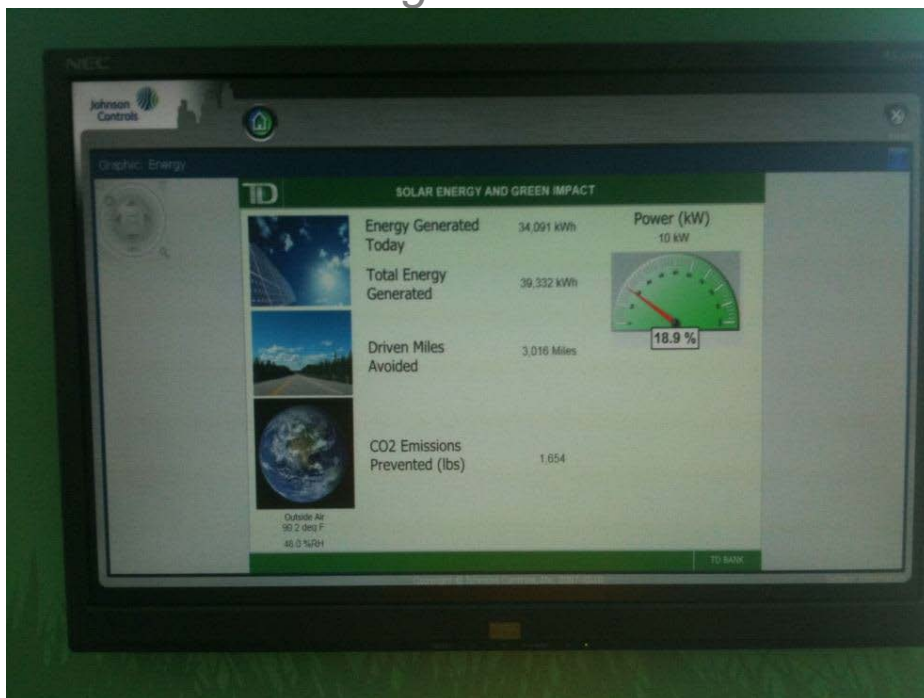


*TD Green Energy Park  
Solar Tracking Modules  
London, Ontario*





*84% Day lit to reduce electrical demand and provide abundant natural light*



*Digital in store energy monitoring for customer/employee engagement*



Key Internal Participants:

John De Benedictis – Senior Manager, Retail Facilities Management

Jamie Kruspel – Manager, Procurement Services

Michael Parker – Senior Manager, Energy & Environment

Jackie Henke – Vice President, Real Estate Green Strategy Officer

Scott Hite – Head of Architecture & Design

Perminder Bhogal – Energy Analyst

Bradley Donohue – Energy Analyst

Roger Johnson – Senior Vice President, Enterprise Real Estate

Sean Steele – Relationship Manager, FM

Norm Tanaka – Senior Manager, Corporate Facilities Management

Paul Barbieri – Manager, Corporate Facilities Management

Rich Newman – Director, US Facilities Management

# Environment

## Taking Responsibility – To be an Environmental Leader

### Our Approach

We equate a healthy environment with a healthy economy. The combined pressures of population growth and urbanization place growing demands on basic resources – such as energy, water, and land. These resources, so often taken for granted in North America, are becoming increasingly constrained, and costs are rising.



“Just like our customers, employees, and communities we are concerned about reducing our environmental impacts. How to manage the growth of a business, while reducing demands on scarce resources, is at the heart of responsible development. Whether through our financing activities, our products and services, or how we operate our facilities, this is top of mind for TD. Responsible development creates challenges, but also tremendous opportunities.”

**Karen Clarke-Whistler**, *Chief Environment Officer,*  
*TD Bank Group*

### Environmental Pillars

Our goal is to be an environmental leader. Over the past three years we have been building an environmental strategy that is embedded within TD’s vision and mission. Our environmental strategy reaches across all aspects of our business and is managed through four pillars:

- Reducing the environmental footprint of our business operations;
- Responsible financing;
- Developing green product and service options for our customers; and
- Engaging our environmental stakeholders in dialogue to promote understanding and solutions.


While there are many environmental issues that need attention, we concentrate our efforts on issues where we can be most effective. In response to feedback from customers, employees and other environmental stakeholders, we selected two areas to focus on: energy and paper.

2011 Challenges	Our Response
<ul style="list-style-type: none"> <li>• Continuing to achieve energy reduction targets for buildings and travel while growing the business through mergers, acquisitions and organic growth.</li> </ul>	<ul style="list-style-type: none"> <li>• We developed an Enterprise Real Estate Environmental Plan (2012-2015) to manage energy demands moving forward.</li> </ul>
<ul style="list-style-type: none"> <li>• Achieving targets on paper reduction.</li> </ul>	<ul style="list-style-type: none"> <li>• Made a public commitment that TD will become paper-neutral by 2012.</li> </ul>
<ul style="list-style-type: none"> <li>• Increase environmental awareness and build employee engagement in the U.S.</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthened our team in TD Bank and developed a plan to increase employee involvement across all of our businesses.</li> </ul>
<ul style="list-style-type: none"> <li>• Continuing to manage the environmental and social risks associated with financing activities – especially about Free Prior and Informed Consent (FPIC).</li> </ul>	<ul style="list-style-type: none"> <li>• Met with industry, aboriginal and environmental groups to advance dialogue on FPIC.</li> </ul>

## Management Framework

TD's Environmental Policy was updated in 2010. The revised policy provides an overarching framework for TD's environment program. Goals and targets are being developed within each of our four environmental pillars. Processes and performance are tracked and reported through our Environmental Management System (EMS), which is based on the ISO 14001 international standard. The EMS will be fully implemented in 2012.

### MORE ON THE WEB:









**Interview with executive environmental champion: "What's next for TD – after becoming carbon-neutral?"** 

## Operations

### Reducing TD's Operational Footprint

We're committed to continuous improvement to lower TD's operational footprint through:

- reducing energy use and greenhouse gas (GHG) emissions across TD's business operations and fleet;
- implementing green building design standards for our new and existing facilities;
- reducing non-paper waste and e-waste;
- reducing paper usage; and
- greening our supply chain.

TD's North American Environmental Footprint			
	2010	2009	2008
<b>Total Energy Use<sup>1</sup></b>			
Electricity (kWh)	545,260,552	586,079,202	577,439,867
Heating and Cooling (GJ)	729,934	863,612	
<b>Total GHG Emissions (tonnes CO<sub>2</sub>e)<sup>1,2</sup></b>			
Direct CO <sub>2</sub> e (GHG Scope 1)	42,464 	45,716 	48,539
Indirect CO <sub>2</sub> e (GHG Scope 2)	153,716 	180,494 	184,406
Other Indirect and Non-controlled (GHG Scope 3)	38,562 	27,048 	31,425
<b>Total CO<sub>2</sub>e</b>	<b>234,742 </b>	<b>253,258 </b>	264,370
<b>GHG Intensity (per employee)<sup>3</sup></b>			
Total CO <sub>2</sub> e (tonnes)	2.92	3.41	3.58
Energy component – CO <sub>2</sub> e (tonnes)	2.33	2.93	3.02
Travel component – CO <sub>2</sub> e (tonnes)	0.59	0.48	0.56
Electricity (kWh)	6,778	7,882	7,823
<b>Office Paper Intensity (per employee)<sup>3</sup></b>			
Total office paper (metric tonnes)	3,193	–	–
Office paper (sheets) <sup>4</sup>	8,557	8,308	8,473

<sup>1</sup> Latest data available at time of reporting is 2010. 2011 data will be available in our 2012 Carbon Disclosure Project submission.

<sup>2</sup> For further details see accompanying notes.

<sup>3</sup> For the year ending October 31, 2010 the Bank has changed the geographic boundary for calculating the GHG intensity (per employee) values from the total number of international employees to the total number of North American employees to better match the source of GHG emissions reported which includes only North America. The 2008 and 2009 intensity data has been restated for comparative purposes. The restatement resulted in a 1% increase in the total intensity and electricity (KWh) values, a 3% decrease in the energy component value, and a 25% increase in the travel component value for both 2008 and 2009.

<sup>4</sup> 2009 and 2008 office paper does not include TD Insurance as the data is not available and cannot be reasonably estimated.

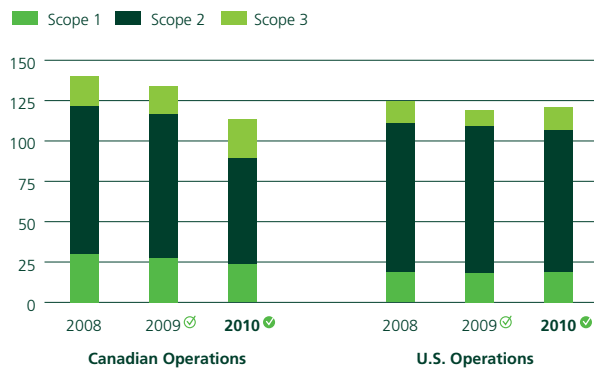
## Energy Use and Greenhouse Gas (GHG) Emissions

TD became carbon-neutral in 2010. We used the GHG emissions identified in our 2010 Greenhouse Gas Inventory to provide the requirements for achieving carbon neutrality. The GHG inventory measures emissions from TD's wholly owned North American operations. In addition, we estimated emissions from TD's international operations, based on the space occupied.

TD measures our direct emissions from heating and cooling (Scope 1), our indirect emissions from electricity and TD's fleet of vehicles (Scope 2) and our business travel emissions and energy from subleased locations (Scope 3).

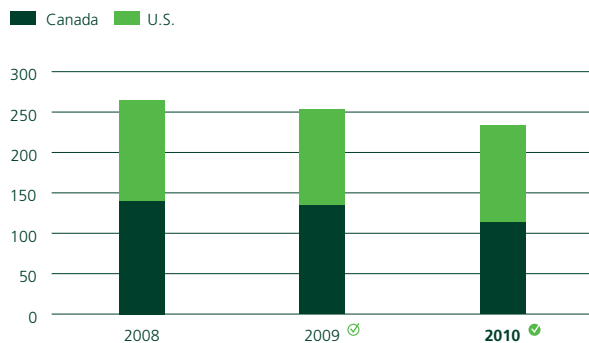
### DETAILED EMISSIONS BREAKDOWN<sup>1,2</sup>

(thousands of tonnes CO<sub>2</sub>e)



### TOTAL GREENHOUSE GAS EMISSIONS

(thousands of tonnes CO<sub>2</sub>e)



## ACHIEVING CARBON NEUTRALITY

TD's carbon neutral program is based on these components:

**Step 1: Reduce energy use.**

**Step 2: Green our energy supply.**

**Step 3: Develop innovative, North American-based carbon offsets with commercial and social partners.**

Using this approach, we are taking the first steps to decouple our business growth from our use of fossil fuels. Since 2008 TD's absolute emissions have decreased by 11% - while our business continues to grow.

### NORTH AMERICAN COMPARISON FROM 2008 TO 2010\*

Revenue	Real Estate (sq. ft.)	Employees	GHG
↑ 29%	↑ 11%	↑ 9%	↓ 11%

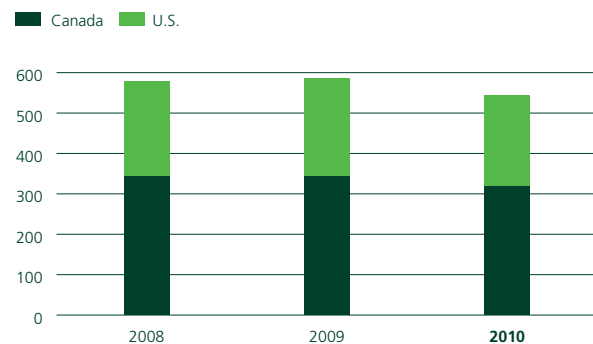
\*Results based on latest available North American data.

## Energy Reduction Through Building Design

TD's commitment to carbon neutrality has transformed the way we design and operate our buildings, with an increased understanding of green building principles. TD's architectural team is developing design standards based on a full-cost-of-ownership approach, challenging us to design buildings that produce energy rather than consume it.

### TOTAL ELECTRICITY USE

(in millions of kWh)



In 2011 we continued to identify opportunities to manage energy requirements across the North American real estate portfolio.

Here are a few examples of the upgrades we've made.

Location	Description	Est. Annual Energy Reduction (kWh/yr)	Est. Annual GHG Reduction (tonnes CO <sub>2</sub> e/yr)
TD Centre, Toronto, ON	Lighting upgrades, LED replacement of MR16s, daytime cleaning	2,452,196	539
Creekside Campus, Mississauga, ON	LED parking lighting, interior lighting, LED exterior signage	1,058,317	233
USA Retail LED lighting upgrades	Lighting upgrades	1,585,716	903
USA Corporate	Lighting upgrades	825,871	470



### TD Goes Net-Zero in Florida

In 2011 TD Bank built a store designed to be net-zero in Cypress Creek, Fort Lauderdale, Florida. The net-zero store uses state-of-the-art design to maximize energy efficiency including efficient lighting and mechanical systems. With an array of 400 solar panels, the store produces 100,000 kilowatt hours per year and produces as much energy as it consumes.

Built to LEED platinum design standards it is one of only eight net-zero projects registered under the U.S. Department of Energy.

### And, in London, Ontario

A 25-year-old TD Canada Trust branch in London, Ontario, is currently being transformed into a net-zero energy location. This will be the first net-zero energy retrofit of a bank branch in Canada. Energy efficiency enhancements include interior and exterior LED lighting, remote building monitoring, and a solar electric vehicle charging station. In addition, the surrounding land will be transformed into a green energy park that will house solar panels, solar trackers and an amphitheatre for local community use.

In 2011, TD's green building program also saw the completion of 16 LEED-certified projects (5 platinum, 5 gold, 2 silver, 4 certified) and another 61 projects that are registered for future development.

TD does not own or lease facilities in environmentally sensitive habitats.

**TD'S AUBURN, MAINE LOCATION WAS THE FIRST LEED CI PLATINUM CALL CENTRE IN THE U.S. AS CERTIFIED BY THE U.S. GREEN BUILDING COUNCIL.**

### Green Information Technology

Banks have come a long way since the days of ledger books in a branch. At TD, we aim to use technology in ways that reduce our environmental impact. As our business grows, we are updating our fleet of servers, computers, printers and processors to facilitate the fast and effective services our customers expect. This approach also helps us gain substantial energy savings.

Since 2008, These Programs:	Have Saved:
<ul style="list-style-type: none"> <li>Electrical and mechanical upgrades in our existing data centres</li> </ul>	<ul style="list-style-type: none"> <li>\$86,000 in electricity costs</li> </ul>
<ul style="list-style-type: none"> <li>PC power management</li> </ul>	<ul style="list-style-type: none"> <li>9,253,093 kWh in energy and 1.8 tonnes in CO<sub>2</sub></li> </ul>
<ul style="list-style-type: none"> <li>E-waste diversion from landfills</li> </ul>	<ul style="list-style-type: none"> <li>100% of employee technology waste, such as laptops and printers</li> <li>95% of data centre waste</li> </ul>

In 2011 TD developed a comprehensive green IT strategy, which seeks to:

- achieve measurable energy and cost reductions from workspace, network and data centre initiatives;
- inform and modify energy savings behaviour among employees and suppliers through our energy awareness campaigns; and
- use performance measures to gauge our effectiveness at integrating green practices in our daily operations.

We are developing metrics that will help us better understand how to most effectively reduce energy use while improving computing efficiency, including:

- PC power management consumption savings;
- virtualization energy consumption savings;
- Air miles and related CO<sub>2</sub> savings through video conferencing;
- storage energy savings through collaborative software such as share-point and web-based technologies (e.g. live meetings); and
- printer energy use per employee.

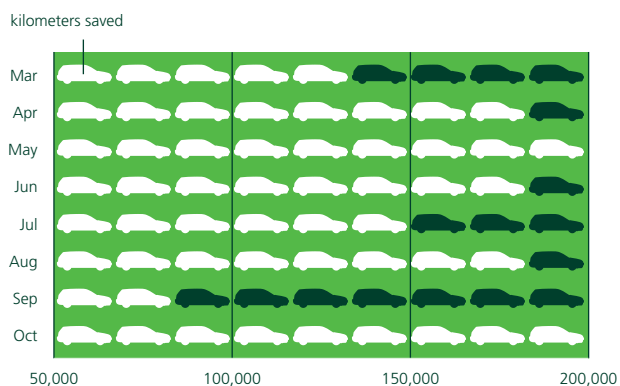
### Business Travel

Emissions from business travel include the use of air, train and vehicle travel related to TD business. In 2010 GHG emissions from travel were 47,225 tonnes of CO<sub>2</sub>e, representing 20% of total emissions. These increases are a result of activities associated with the acquisition of new businesses, integration activities, and mobile banking services available to our customers.

We are actively seeking ways to reduce internal travel. In 2011 we launched a video-conferencing pilot program in which we installed facilities at nine key business operations hubs in order to reduce the time, cost, and GHG emissions from business travel. Over a five-month period we were able to:

- save 823,412 kilometres (374,278 miles) of travel;
- save \$640,000 in related travel costs; and
- avoid 48 tonnes of CO<sub>2</sub>e.

### TRAVEL SAVED THROUGH USE OF VIDEO CONFERENCING



Some key lessons learned from the pilot include:

- recognizing that communications and help-desk support are just as important as the technology itself;
- making video-conferencing equipment accessible within a business; and
- building incentive programs to encourage behavioural change.

In 2012 we plan to extend the video-conferencing program to more business groups across the bank.



**TD's new data centre in Barrie, Ontario**, will open in 2012. The centre will maximize power efficiency while reducing energy intensity through the use of virtualization technologies and energy-efficient electrical and mechanical systems. The data centre will be built to LEED platinum standard, with a blueprint that meets the industry best-in-class power usage effectiveness (PUE) target (1.6). Smart building design features will include solar roof arrays, created to meet the energy needs of the centre's limited office space. Excess heat generated from the data hall will be captured for use in snow melting. Through these measures, we strive to demonstrate the successful integration of energy conservation and environmental awareness.



## Renewable Energy

TD is recognized across North America as an environmental leader in the purchase of green renewable energy.

In 2010 we purchased renewable energy credits equivalent to 49% of our carbon footprint from our electricity demand. **All of the electricity for our U.S. operations, including our ATM network, is supplied by renewable energy.** In Canada, our ATM network and all of our business operations in B.C., Alberta, Saskatchewan, Nova Scotia and P.E.I., are powered by renewable energy. We selected these provinces because they have the strongest reliance on fossil fuel sources for electricity. By purchasing renewables as an alternate energy source, we were able to remove the greatest amount of carbon from our electricity supply.

### Carbon Offsets

We're committed to developing high-quality offsets within our North American geographical footprint. In 2010 we used voluntary carbon offsets to neutralize 51% of our carbon footprint. About half of the offsets were developed in collaboration with not-for-profit partners. We continued to work with partners such as Habitat for Humanity, the Munsee-Delaware First Nation, and the Greening Canada Fund to understand how carbon offsets can drive energy conservation initiatives. All of our offsets are independently verified through ClimateCHECK.

#### Greening Canada Fund: Carbon-Smart, Community-Smart, Investment-Smart

TD was a founding investor in the Greening Canada Fund (established in 2009). The fund, which invests in voluntary carbon credits derived from community energy programs with schools, hospitals and municipalities, was the first of its kind in Canada.

In three years of operation the fund has invested in eleven projects enabling more than 420,000 tonnes of GHG emission reductions, the carbon equivalent of removing 111,000 cars off the road for an entire year. A few examples include:

- supporting the Toronto District School Board in energy retrofitting of 237 schools;
- energy retrofitting schools in the Commission Scolaire Marguerite-Bourgeoys (CSMB) in Montreal, Quebec; and
- supporting lighting-efficiency measures in 26 campus buildings at the University of Alberta.

## What's Next for TD?

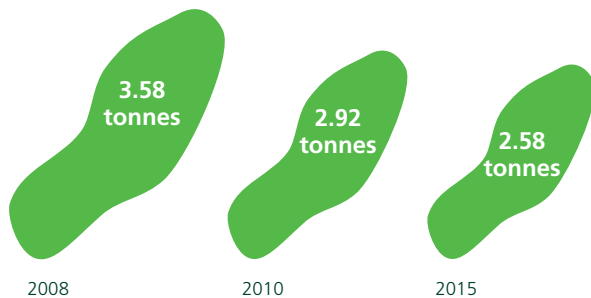
By becoming carbon-neutral, we have gathered important insights on energy efficiency, renewable energy and carbon credits. We have been able to not only reduce our energy consumption, but also use these insights to create financial products and increase employee awareness. We are on the path to decoupling business growth from fossil fuels. TD is now committing to further reduce our GHG emissions.

**TD'S GOAL: REDUCE GHG EMISSION INTENSITY BY 1 TONNE PER EMPLOYEE BY 2015**

Our baseline year is 2008, as it reflects the first full year of TD's North American business integration and the initiation of our GHG reduction program.

### CARBON FOOTPRINT REDUCTION

CO<sub>2</sub> emissions per employee



"Many community facilities face efficiency challenges. The Greening Canada Fund creates a triple win solution for financing the critical retrofits needed to reduce emissions for all of us and lower energy costs for our community sites, while linking the results to the actions taken by our investors. TD continues to demonstrate its commitment to this innovative solution."

**Gerry Rocchi**, *President and CEO of Green Power Action*

## Waste

### Non-Paper Waste

In 2011 we completed an Enterprise Waste Management Plan to monitor, track and report on non-paper waste. All locations in Canada and 93% of locations in the United States are equipped for non-paper waste recycling. All corporate offices in Canada offer facilities for organic waste. We will continue to enhance the program in 2012 by linking recycling into our **TD Green Nation** employee engagement program – encouraging our employees to measure their impacts.

### Electronic Waste (E-Waste)

E-waste includes obsolete computers, printers, phones and other electronic equipment. In keeping with our zero waste policy for e-waste, 100% of our e-waste is diverted from landfill. In 2011, 90% of our e-waste was refurbished and 10% was broken down for recycling. Through an innovative program with our computer recycling vendor, used equipment is refurbished and resold, with proceeds being donated to charity.

We expanded TD's green branch opening program to routinely include e-waste recycling events. Customers are encouraged to attend the event and bring their used electronics for responsible recycling and disposal. In 2011 we also launched a battery recycling program.



“During Earth Week, we made our first official trip to responsibly dispose of 650 old batteries, diverting the majority from going into landfills.”

**Pat Evans**, *Green Team leader*

### The Story of Paper at TD

Our customers and employees view excess paper as a major irritant – and with good reason. Banks and insurance companies are among the highest users of paper, with 10,000 sheets of office paper per employee per year being the industry average.<sup>a</sup> While some paper copies are legally required, there are many opportunities to reduce or eliminate paper usage from our products, services and business processes.

Since 2008 TD has been tackling the issue of paper reduction at all stages of the paper life cycle from sourcing, through usage and disposal. We source environmentally certified paper (FSC, SFI, CSA) for letterhead, business envelopes, business cards and copy/fax paper. Our standard office paper contains a minimum of 30% post-consumer content. TD has steadily reduced our office paper use by 12% per employee, over three years.

TD Bank Group Paper Usage <sup>1,2</sup> (metric tonnes)	
Type	2010 (baseline)
Statements and envelopes	6,120
Commercial print	4,518
Office paper	3,193
Forms	1,122
<b>Total</b>	<b>14,953</b>

<sup>1</sup> Excludes TD Auto Finance which was acquired by TDBG in April 2011 as the data is not available and cannot be reasonably estimated.

<sup>2</sup> The paper data that was known and available to management was used in determining the paper use; however, the Bank was not able to substantiate all paper that may have been purchased through alternative suppliers or printers.

TD customers are also committed to reducing paper, with over 50% opting for paperless statements for a variety of products, including chequing and savings accounts. The adoption rate in the U.S. is especially encouraging. Online statement accounts grew from 0.5 million to 1.2 million in just one year.

In 2010 we joined the Boise® Closed Loop System™, a recycling program to divert paper waste from landfills and reuse it in the production of recycled office paper. This initiative diverts 1,500 metric tonnes of office paper from landfills every year.

We've heard loud and clear from customers and employees that TD still needs to “use less paper.” It's time to raise the bar. In 2011, we decided to take our commitment even further by announcing the following goal:

**WE WILL RADICALLY REDUCE OUR PAPER USAGE  
AND WE WILL OFFSET THE PAPER THAT WE DO USE  
BY PROTECTING THREATENED FORESTED AREAS.**

We plan to achieve this goal by:

- tracking all forms of paper that TD uses – including office paper, business forms and reports, commercial print and customer statements and envelopes;
- committing to reducing our overall paper usage by 20% by 2015 relative to a 2010 baseline; and
- committing to being “paper-neutral” by the end of 2012, offsetting the paper that we use by planting or protecting forested areas across North America.

## TD Forests

As part of TD's paper-neutral commitment, we're launching a major North American conservation initiative in 2012. Through this program we will commit to growing the area of protected forest habitat in North America. Through this commitment we will protect an area equivalent to a football field each and every day for the duration of the program.

Why protect forests rather than just plant trees? It's clear that cutting down a tree has a greater impact than the loss of a single tree. Not only do forest ecosystems provide habitat for

plants and animals, they contribute to air and water quality, as well as providing adventure and recreation for people.

In Canada TD will partner with the Nature Conservancy of Canada to protect threatened forest habitat across the country. We will identify our conservation partner in the United States in 2012.

In addition, in 2012 TD will plant approximately 50,000 trees through our employee tree planting initiatives, TD Tree Days, held at more than 120 locations across North America and in the U.K.

## Responsible Financing

Our financing activities include loans, lines of credit, project and fixed-asset financing and investing. Our goal is to make balanced, informed and transparent financing decisions. We work with our clients and stakeholders to proactively mitigate environmental and related social risks in our financing activities. Given the strong link between Canada's economy and resource development, we put special effort into promoting dialogue to better define responsible development.

TD is primarily a retail bank, with 80% of our financing based on personal and residential lending. The remaining 30% relates to wholesale and commercial lending, focused on companies based in North America. Approximately 5% of our total financing involves clients operating in environmentally and socially sensitive industries such as agriculture, mining, fossil fuel extraction, power generation, forestry, automotive, chemicals and manufacturing.

TD has developed the following policies that support responsible financing:

### *Protecting Biodiversity*

TD does not lend money for transactions that would involve activities within World Heritage sites, would result in the degradation of protected critical natural habitats as designated according to World Conservation Union classification or would involve the purchase of timber from illegal logging operations.

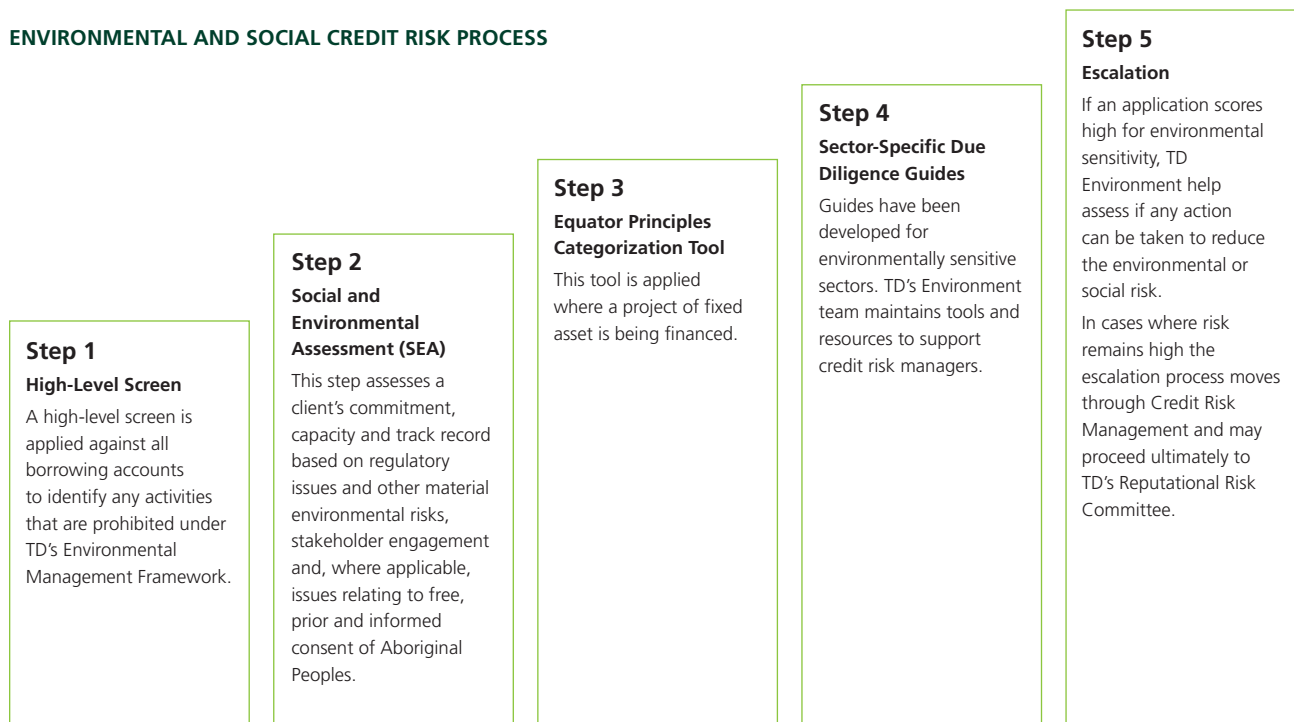
### *Weapons and Bombs*

We do not lend money for transactions that are directly related to the trade in or manufacturing of material for nuclear, chemical or biological weapons or for land mines or cluster bombs.

### *Anti-Corruption*

TD applies anti-corruption and anti-fraud controls to activities that are known to be susceptible to criminal activity or have been designated as being at high risk for money laundering or financing of terrorism.

## ENVIRONMENTAL AND SOCIAL CREDIT RISK PROCESS



## Credit Risk Management

### Lending, Credit and Project Finance

TD's Environmental and Social Risk Policy for Non-Retail Credit Business Lines establishes common standards for identification and management of environmental and social risk across non-retail lending operations, including due diligence requirements. The policy was updated in 2010 to provide comprehensive coverage of general corporate purpose, project and fixed-asset financing. Implementation will be completed in 2012 as TD Bank adopts the group-wide credit risk management policy.

The credit risk management process embeds environmental and social risk assessment within a five-step approach that applies to every undertaking considered by the bank, including annual reviews of existing clients. The approach considers policy, processes and performance.

Every undertaking goes through at least Steps 1 and 2. Additional sector-specific guidance has been developed for environmentally sensitive sectors including: forestry, mining, power and utilities, thermal power generation, oil and gas extraction, and, oil and gas pipelines.

In 2010, we reported the number of deals referred to TD Environment through the Environmental and Social Credit Risk Process. This year, we've found the measure to have negligible significance as the majority of issues or concerns were raised by the business well before the point of formal escalation.

### Equator Principles

TD has been a signatory to the Equator Principles since 2007. While the Equator Principles were designed to be applied to project financing, TD has taken this a step further and has fully embedded the principles within our credit risk management policy applied to all undertakings including general corporate purpose, project and fixed-asset financing.

The Equator Principles are derived from the International Financing Corporation (IFC) Performance Standards. In 2011 the IFC released its revised Sustainability Framework which includes revisions to the performance standards. These changes are currently being reviewed by the Equator Principle Financial Institutions and will result in an update of the Equator Principles in 2012. TD is an active member of a number of related working groups. We will update our credit risk management policy, procedures and sector-specific due diligence guidance in 2013 to reflect these changes.

All Equator Principles projects were in the extractive sector and located within North America. The following projects were reviewed according to the Equator Principles.

Equator Principles				
	2011	2010	2009	2008
Equator Principles Category A	0	0	0	0
Equator Principles Category B	0	2	1	7
Equator Principles Category C	8	3	0	4
<b>Total Projects</b>	<b>8</b>	<b>5</b>	<b>1</b>	<b>11</b>

### MORE ON THE WEB:

#### TD's Environmental Risk

##### Profile including:

- Carbon sensitivity;
- Water sensitivity; and
- Free Prior and Informed Consent of Aboriginal Peoples relating to natural resource development.

## Responsible Investing

As a signatory to the United Nations Principles for Responsible Investing (UNPRI), TD Asset Management (TDAM) is committed to integrating environmental, social and governance (ESG) considerations into its investment decision-making process. As part of its UNPRI commitment, TDAM publishes an annual report summarizing how the principles have been implemented and the progress so far (Implementation of the Principles for Responsible Investment). TDAM also prepares an annual Engagement Report summarizing its activities.

TDAM adopted its Sustainable Investment Policy in 2009. Our approach is to assess ESG considerations for all of our investments. In 2011, we focused on collaborative engagement with both clients and industry stakeholders, with the purpose being better integration of ESG considerations.

Key 2011 Initiatives for TDAM include:

- reaffirming our commitment as a signatory to the Carbon Disclosure Project (CDP);
- engaging in the CDP Carbon Action and the UNPRI to help increase survey participation and the quality of disclosure in the annual CDP questionnaire;
- becoming a signatory to the Water Disclosure Project and working to increase the number of survey participants; and
- joining the Sustainable Stock Exchange Initiative, which encourages exchanges around the world to integrate sustainability performance for their listed companies.

We also provide two sustainability funds to retail and institutional investors:

- TD Global Sustainability Fund (Canadian retail and institutional)
- TDAM Global Sustainability Fund (U.S. clients)

Our aim is to achieve long-term capital appreciation by investing primarily in companies around the globe that are viewed as best in class with respect to ESG factors and that are emerging specialists in clean energy technology and resource efficiency. In 2011 TDAM made the decision to close the Emerald Global Sustainability Fund and offer institutional clients a version of the TD Global Sustainability Fund. TDAM managed approximately \$20 million in the two global sustainability funds as of October 31, 2011.

TDAM plays an active role in educating investors, clients and consumers about the importance of clean technology and sustainability. In 2011, we participated in discussion panels at the ClimateSpark Social Venture Challenge, Green Living Show, and the Ecocity World Summit.



In 2011 TD was selected for inclusion in the Ethibel PIONEER and the Ethibel EXCELLENCE investment registers on the basis of its commitment to sustainable investing and overall corporate responsibility performance.

## Green Product Options

We know that green consumerism is a force in the marketplace and is on the rise.<sup>b</sup> However the link between green consumers and the financial sector is poorly understood.

“We are living in the time of green. We can buy green energy, get a green job and green our weekly grocery shopping. The green consumer movement challenges the conventional notion of corporate leadership. Consumers want companies to be both strong environmental stewards while providing price competitive green product options.”

**Karen Clarke-Whistler**, *Chief Environment Officer, TD Bank Group (in Management Ethics, Summer 2011)*

Our Green Banking web page helps Canadian customers find information on TD’s existing green products and services. TD is working to identify and develop more ‘green’ choices for our customers in the areas of:

- renewables financing;
- financing and insurance of hybrid and electric vehicles;
- paperless banking options; and
- engaging green consumers.



TD provides financing to customers, such as the Humphrey family in Toronto, Ontario, to install solar panels.

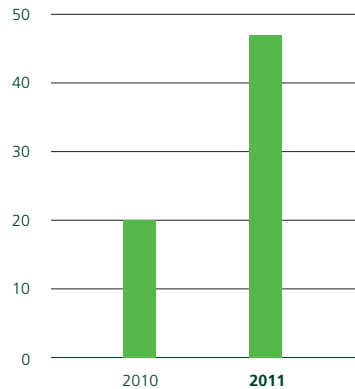
## Renewables Financing

TD promotes energy diversity as a means of meeting the growing energy demand and supply gap. Financing of renewables projects has been widely identified as a barrier to growth of this emerging industry. Banks are challenged to provide funding to emerging sectors, such as Cleantech, using traditional credit risk models.

In 2010 TD launched an innovative financing program for development of small-scale renewables projects by home and cottage owners, business owners, farmers and building contractors. The program was introduced in Ontario, which had introduced a Green Energy Act<sup>c</sup> that includes a feed-in tariff program across the province.

### FINANCING OF SMALL-SCALE RENEWABLES PROJECTS

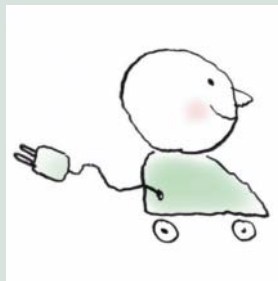
(in millions of dollars)



## Financing and Insurance of Electric Vehicles

TD has offered financing and insurance of hybrid vehicles in Canada since 2008. In 2011 the program was extended to electric vehicles. Recent announcements indicate that large-scale production of electric vehicles (EV) in North America will ramp up in 2012, and TD wants to be a strong supporter.

While we recognize that the market for this emerging industry will take time, we want to be on the forefront. TD is actively supporting EV policy groups such as Electric Mobility Canada. We are also working with Plug’nDrive, a not-for-profit organization, aimed at raising awareness of electric vehicles in Ontario.



**TD is working with Plug’nDrive to encourage electric vehicles in Ontario.**

## Paperless Banking Options

Our online banking options are growing. Over 50% of TD's customers now access their accounts online. In 2011 we offered online products that included:

- mobile banking
- access to day-to-day account activity and online statements
- money-market statements (TD Bank)
- trade confirmations and tax slips (TD Wealth)

The adoption rate in the U.S. is especially encouraging. Online statement accounts grew from 0.5 million to 1.2 million in just one year.

In 2011, we saw a need to raise consumer awareness of environmental issues and green banking products through industry exhibitions that combine information, education and interactivity. We sponsored the TD Energy Fair held at the Green Living Show, Canada's largest environmental trade show. The TD Energy Fair provided access to TD business advisors and promotional offers on TD energy and home improvement products, as well as lectures by industry specialists on a range of topics that included an overview of the solar and wind markets, carbon offsets and energy retrofitting your home.

Through this one event, we were able to generate \$3 million in potential new business and engage 30,000 conference attendees and 1,000 employees.



Over 4,000 people used the TD Pedal for Power station to generate electricity by pedaling a bike. Enough energy was generated to cover the exhibit requirements and feed 376,000 watts back into the grid.

## Engaging Employees

TD employees remain our strongest environmental advocates. Not only do they provide insight on how to improve processes and lessen our environmental impacts, they also play a critical role in communicating TD's message to customers, peers and community organizations.

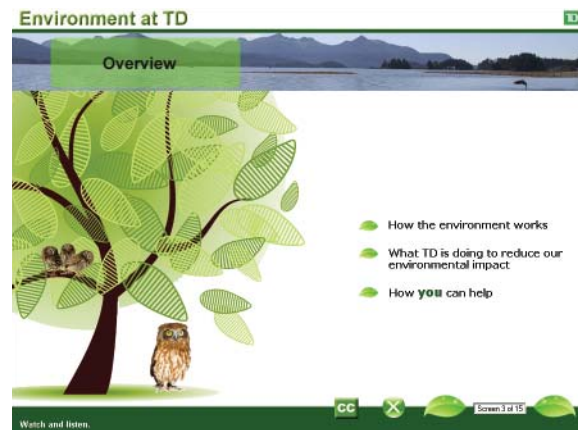
**79% OF TD EMPLOYEES SURVEYED SAID TD "...HELPED ME GAIN A GOOD UNDERSTANDING OF EFFORTS TO BECOME MORE SOCIALLY AND ENVIRONMENTALLY RESPONSIBLE," COMPARED WITH 69% OF EMPLOYEES WITHIN THE OTHER COMPANIES.**

**78% AGREED WITH "THIS ORGANIZATION EFFECTIVELY COMMUNICATES THE ACTIONS WE ARE TAKING TO MINIMIZE OUR IMPACT ON THE ENVIRONMENT," COMPARED TO JUST 67% OF EMPLOYEES OF THE OTHER COMPANIES.**

**SOURCE: 2011 AON HEWITT SURVEY**

**In 2011, TD launched two key initiatives to engage employees on the environment:**

- 1) Environment 101:** An online training program designed to raise awareness of global environmental issues, provide an understanding of TD's goals and initiatives, and encourage active participation. Employees can watch videos, interact with avatars and test their environmental knowledge. Environment 101 is part of the orientation curriculum for new employees and is fully accessible to people with disabilities.



**2) TD green nation:** A web-based performance management tool that allows employees to create their own profile – and define, pledge and accomplish green acts. The software lists over 125 green acts that relate to the workplace, at home or through volunteering in the community. In keeping with TD's focus on energy, performance can also be measured in terms of carbon. Employees responded positively to the launch, achieving over 10,000 acts in six months. Moving forward, it will be used to drive corporate challenges between Green Teams and regions. TD green nation was launched to Canadian employees in 2011 and will be expanded to the U.K. and U.S. during 2012.

The screenshot shows the TD green nation website interface. At the top, there is a navigation bar with links for 'TD's Commitment', 'FAQ', 'Have a suggestion?', 'Help', and 'Français'. The main header features the TD logo and 'green nation' text, along with a user greeting 'Welcome Oussama' and a 'Sign Out' button. Below the header, there are navigation tabs for 'My Home', 'Browse Acts', 'Leaderboards', and 'Invite a Colleague'. The 'My Home' section displays a user profile for Oussama Benkabbour, including a small profile picture, name, business group ('TD Corporate Office'), location ('Ontario'), and membership details. A table of statistics is shown below the profile:

<b>Points</b>	<b>388</b>	<b>Acts pledged</b>	<b>41</b>	<b>Carbon saved</b>	<b>550.09</b>
<b>Rank out of 2,509</b>	<b>23</b>	<b>Acts accomplished</b>	<b>64</b>	<b>kg of CO2</b>	

We also provide customized training and support for our growing army of Green Team leaders. The one-day workshop is supplemented with bimonthly webinars and an online portal for Green Team leader resources.

The second annual **GreenCeption** invited over 200 TD executives, employees and Green Team members to celebrate their efforts in advancing TD's environmental leadership position. As part of the event we established awards that will be presented annually for:

- individual performance;
- team performance; and
- contribution to leadership in the TD Friends of the Environment Foundation.

## Environmental Stakeholders

TD regularly engages with a range of stakeholders who are interested in and/or affected by resource development. Our goal is to play an active role in facilitating dialogue and discussion. Our business stakeholders include industry associations, governments, Aboriginal communities and organizations, environmental advocacy groups and academia.

TD is actively working with multi-stakeholder groups consisting of aboriginal leaders, industry and environmental groups, such as the Boreal Leadership Council, to provide thought leadership and to develop practical guidance on the Canadian context for FPIC.



"The Boreal Leadership Council is comprised of aboriginal leaders, environmental groups, natural resource companies and financial institutions dedicated to resolving issues relating to environmental stewardship and responsible development within Canada's boreal region. In 2011 we formally welcomed TD Bank Group as member of the Council. TD has provided a valuable perspective on links between land development and financing, especially on tough issues such as Free, Prior and Informed Consent."

**David Porter**, *Chair, Boreal Leadership Council*  
*CEO, FBC First Nations Energy and Mining Council*

### Accompanying Notes:

<sup>a</sup> Source: <http://business.edf.org/casestudies/citigroup-improving-paper-management>.

<sup>b</sup> Such research includes CMHC Home Renovation Survey (Leger Marketing, 2010) and Canadian Environmental Barometer Environics, Sept. 2011.

<sup>c</sup> Ontario Bill 150, Green Energy and Green Economy Act, 2009 proclaimed in force May 14, 2009, enacting the Green Energy Act, 2009, and amending other statutes.